

## **Disclaimer**

Further questions and answers relating to the proposed acquisition of all the issued and paid-up ordinary shares in the capital of Singapore Press Holdings Limited (the “**Company**” or “**SPH**”) by Keppel Pegasus Pte. Ltd. (the “**Offeror**”) by way of a scheme of arrangement (the “**Scheme**”) and the proposed distribution in specie by the Company of units in SPH REIT (the “**DIS**”) will be made available to shareholders ahead of the proposed scheme meeting in relation to the Scheme, and extraordinary general meeting in relation to the DIS. Shareholders are invited to send in further questions on the Scheme and/or the DIS via email to [agmegm@sph.com.sg](mailto:agmegm@sph.com.sg). The composite document in relation to the Scheme and the DIS will be made available to shareholders in due course.

## **Responsibility Statement**

The directors of the Company (including any who may have delegated detailed supervision of the preparation of this document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this document in each case which relate to the Company (excluding information relating to the Offeror, Keppel Corporation Limited (“**Keppel**”), Keppel REIT, SPH REIT or any opinion expressed by the Offeror, the Offeror’s concert parties, Keppel, the independent financial adviser and/or KPMG (save for the Company’s unitholding interest in SPH REIT)) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this document, and the directors of the Company jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the Offeror’s concert parties, Keppel, the independent financial adviser and/or KPMG, the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this document. The directors of the Company do not accept any responsibility for any information relating to the Offeror, Keppel, Keppel REIT, SPH REIT or any opinion expressed by the Offeror, the Offeror’s concert parties, Keppel, the independent financial adviser and/or KPMG (save for the Company’s unitholding interest in SPH REIT).

Unless otherwise defined, capitalised terms used in the following questions and answers shall have the meanings ascribed to them in the joint announcement by the Company and the Offeror in relation to the Scheme and the DIS dated 2 August 2021 (“**Joint Announcement**”).

**PROPOSED ACQUISITION BY KEPPEL PEGASUS PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY WAY OF A SCHEME OF ARRANGEMENT AND THE PROPOSED DISTRIBUTION IN SPECIE BY THE COMPANY OF UNITS IN SPH REIT**

Frequently Asked Questions

**1. Who is the Offeror?**

- The Offeror is Keppel Pegasus Pte. Ltd., a wholly-owned subsidiary of Keppel

**2. What is the scope of the transaction / how will the transaction be effected given that the Media Business Restructuring is also ongoing?**

- The transaction will be effected via a Scheme of Arrangement involving:
  - A distribution in specie of ~45% stake of SPH REIT units to all Shareholders
  - An acquisition by the Offeror of all the Shares
- The transaction is contingent upon completion of the Media Business Restructuring. The Media Business Restructuring was approved by Shareholders at the Extraordinary General Meeting held by SPH on 10 Sep 2021

**3. What is the Consideration?**

- For each Share held, a Shareholder will receive cash of S\$0.668, 0.596 Keppel REIT Units and 0.782 SPH REIT Units
- Assuming the Keppel REIT Units and SPH REIT Units are valued as at 30 Jul 2021 (being the last full trading day prior to the Joint Announcement), the total Consideration represents S\$2.099 per Share, which is at a 39.9% premium to the last traded price of S\$1.50 on 30 Mar 2021 before the strategic review was announced
- Assuming the Keppel REIT Units and SPH REIT Units are valued as at 21 Oct 2021, the total Consideration represents S\$2.078 per Share, which is at a 38.5% premium to the last traded price of S\$1.50 on 30 Mar 2021 before the strategic review was announced
  - Please note that the total consideration is an illustrative value and remains subject to change based on price movements for both SPH REIT and Keppel REIT
- In addition, on 5 Oct 2021, SPH announced a final year dividend for FY 2021 of S\$0.03 per share. Shareholders will receive this final year dividend in addition to the Consideration

**4. Why is SPH proposing this transaction?**

- The proposed privatisation of the entire Company post the Media Business Restructuring is the final step and outcome of the strategic review process, which aims to unlock and maximise shareholder value
  - The first step of the strategic review, the Media Business Restructuring announced on 6 May 2021, aims to ensure a sustainable future for SPH's Media Business by restructuring and transferring it to a company limited by guarantee
- The Consideration that Shareholders will receive represents meaningful premium over relevant trading benchmarks, as well as the trading multiples of comparable Singapore property companies on a price to net asset value ("**P / NAV**") basis
- In addition, as part of the Scheme, Shareholders will also gain direct exposure to 2 blue-chip REIT platforms with track records in delivering stable dividend yields and returns to unitholders

**5. What other proposals / transaction structures were considered or received as part of the strategic review?**

- In order to maximise value in an orderly manner for all Shareholders, the Board conducted a comprehensive review of the various strategic options available to SPH post the Media Business Restructuring, including maintaining the status quo, monetisation of certain assets, partial sale or a privatisation / complete sale of SPH
- It was decided that a privatisation / complete sale would be the preferred solution because:
  - It would result in a better valuation outcome with control premium paid for the entire Company
  - It helps avoid a situation where prime SPH assets are cherry-picked, leaving SPH with its existing debt and the risk of monetisation of its remaining assets

**6. What were the objectives of the strategic review?**

- A strategic review of SPH's businesses was announced on 30 Mar 2021, with the following key objectives:
  1. Ensure a sustainable future for SPH media
  2. Unlock and maximise value for all Shareholders
  3. Deal with the consequences of the lifting of the Newspaper and Printing Presses Act ("NPPA") restrictions
  4. Conduct an orderly process to minimise disruption to SPH operations and various stakeholders

**7. Was there a 100% cash proposal for the whole of SPH?**

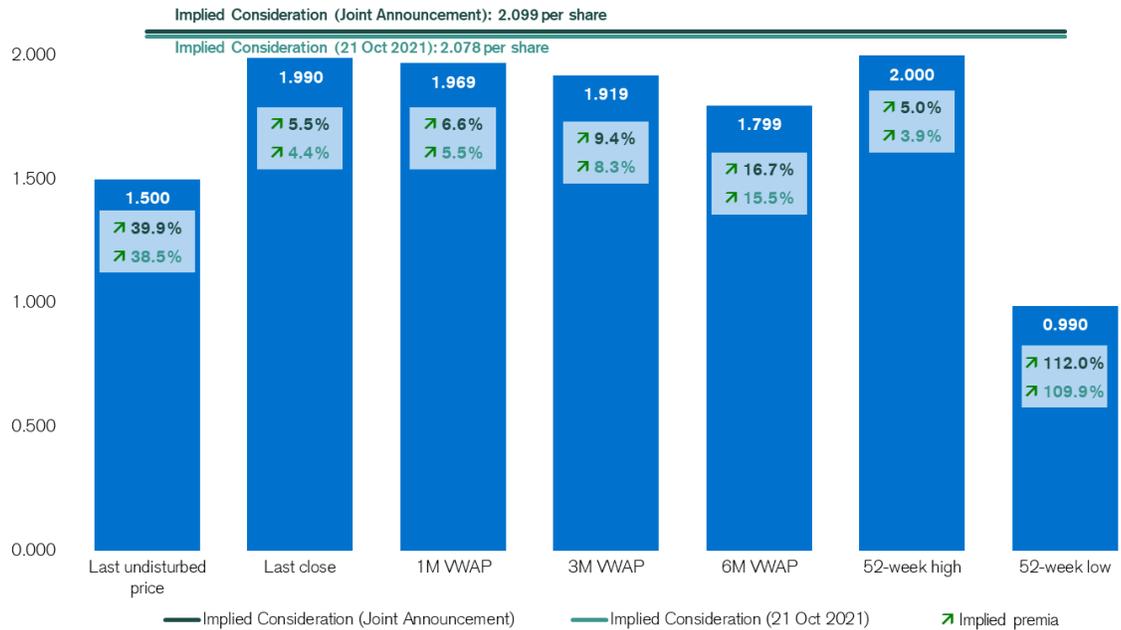
- SPH did not receive an all-cash proposal for 100% of SPH in the final bids
- The proposals SPH received for 100% of SPH included structures which required a distribution of SPH REIT Units and/or a requirement for SPH to still remain listed

**8. How was the split between cash and unit consideration determined? Why not offer SPH shareholders 100% cash?**

- Ultimately, Keppel's proposal represents the highest total value to Shareholders among the final bids received, and is at a significant premium to market prices prior to the strategic review
- SPH did not receive an all-cash proposal for 100% of SPH in the final bids
- In addition, as part of the Scheme, SPH Shareholders will also gain direct exposure to 2 blue-chip REIT platforms with track records in delivering stable dividend yields and returns to unitholders

**9. Based on latest market prices, is the Scheme still favourable for SPH Shareholders?**

- As at 21 Oct 2021, the Consideration represents a 38.5% premium over SPH's undisturbed share price as of 30 Mar 2021, and a 5.0% premium to SPH's 52-week high



- The IFA opinion will be included in the Composite Document containing information about the proposed privatisation of SPH, which will be made available to SPH Shareholders in due course

#### 10. What was the process of arriving at selecting Keppel as the acquirer?

- The Board conducted a thorough and orderly two-stage process
  - In Phase 1, the Company reached out to more than 20 potentially interested parties to solicit and evaluate proposals
  - In Phase 2, multiple shortlisted parties conducted a detailed due diligence on SPH in order to submit a final proposal; these parties also hired external advisors
- The process was overseen by a Steering Committee consisting of Board members, in consultation with Credit Suisse (Singapore) Limited and Allen & Gledhill LLP, SPH's financial and legal advisors, respectively
- All written proposals received were presented to SPH management and the Steering Committee for careful consideration and deliberation
- At the end of the process, the final proposal from Keppel was selected amongst all proposals received, as it was superior across various criteria including price, terms and conditions, financing certainty, regulatory approvals, transaction structure and execution risk

#### 11. How does Keppel's bid compare against the next best offer?

- Due to confidentiality and non-disclosure agreements entered into, we cannot comment on details of other proposals that were considered
- However, parties who participated in the process were on a level playing field. SPH and SPH REIT are listed on the Singapore Exchange, and therefore there is meaningful information readily available in the public domain for bidders to form their assessment
- In Phase 2 of the process, all parties received access and the opportunity to conduct detailed due diligence in the formulation of their final proposal

- The key criteria to assess the proposals include price, terms and conditions, financing certainty, regulatory approvals, transaction structure and execution risk
- At the end of the process, the final proposal from Keppel was selected for being superior amongst all proposals received

**12. What if the Shareholders vote against Keppel's proposal?**

- The Scheme would not be effected. The Board and management will continue to explore other opportunities to unlock value for Shareholders
- The Media Business Restructuring process, will continue to run its course and close by or around December 2021. The NPPA restrictions will then be lifted. Shareholders will be able to own a 5% or greater stake in SPH and this may introduce some uncertainty and / or volatility in SPH share price as new substantial shareholders of SPH may arise through buying SPH shares in the open market
- Shareholders would have foregone the opportunity to receive value from Keppel's offer
- Keppel would not be able to make a subsequent offer to acquire SPH for a 12 month period

**13. What if there are competing proposals?**

- The SPH Board has a fiduciary duty to maximise value for all Shareholders. As such, should a superior proposal arise, the Board will evaluate its merits and advise shareholders accordingly

**14. Given Keppel and SPH previously had the same chairman, was this deal a “done deal” from Day 1?**

- Please note that our Chairman Dr Lee Boon Yang has retired as non-executive chairman and director of Keppel on 23 April 2021
- Given Dr Lee Boon Yang's long tenure previously as chairman and independent non-executive director of Keppel, Dr Lee has abstained from (i) the Board's deliberation and selection of Keppel as the preferred bidder and (ii) the discussion and finalisation of the terms of the Implementation Agreement (including the Break Fee)
- Dr Lee will be recused from making a recommendation on the Scheme
- It is important to stress that Keppel's offer was selected across all proposals received for being superior across various criteria after detailed 2-stage competitive process, and there was no 'done deal' from Day 1 here

**15. Will the Consideration be adjusted for any dividends declared by SPH and/or distributions declared by SPH REIT between now to the effective date?**

- On 5 Oct 2021, SPH announced a final year dividend for FY 2021 of S\$0.03 per share
- Shareholders will receive this final year dividend in addition to the Consideration, should the Scheme be approved and effected

**16. Is Keppel going to revise the Consideration?**

- We are not in a position to address this question on behalf of the Offeror

**17. Who is the Independent Financial Adviser for this transaction and what is their opinion?**

- Evercore Asia (Singapore) Pte. Ltd. has been appointed as the Independent Financial Adviser (“IFA”) to advise the Independent Directors
- The IFA's opinion will be included in the Composite Document containing information about the proposed privatisation of SPH, which will be made available to Shareholders in due course